

KENTUCKY AGRI-NEWS



Kentucky Agricultural Statistics Service
P.O. Box 1120
Louisville, Kentucky 40201-1120
Phone: (502) 582-5293 or 1-800-928-5277
E-mail: nass-ky@nass.usda.gov
and the
Kentucky Department of Agriculture
Richie Farmer, Commissioner

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FEATURING: Agricultural Prices Milk Production Farm Labor Annual Honey Slaughter
Cold Storage Cattle on Feed Chicken & Eggs Crop Values Dairy Products

KENTUCKY LIVESTOCK AND CROP PRICES MIXED

Livestock prices received by **Kentucky** farmers were unchanged to up for cattle, mixed for hogs and down for milk. Corn and soybean prices were down while winter wheat was unchanged.

Steers and heifers 500 lbs. and over at mid-February averaged \$96.00 per cwt., unchanged from the January price while up \$11.00 from February a year earlier. **Beef cow** prices were \$49.00 per cwt. at mid-month. This was up \$2.00 from the January price and \$5.00 from February 2004. **Calves** less than 500 lbs. averaged \$117.00 per cwt. at mid-month, an increase of \$4.00 from a month earlier and \$16.00 from a year earlier. Calves were at their highest price in six months.

Barrows and gilts at mid-February averaged \$49.00 per cwt., a decrease of \$3.00 from January while up \$5.00 from February 2004. Barrow and gilt prices were the lowest in 10 months. **Sows** at \$46.00 per cwt. were up \$2.00 from the previous month and \$11.00 from the previous year. Sow prices were the highest in six months.

The **all milk** for mid-February was \$16.20 per cwt., a decrease of \$1.10 per cwt. from the January price while up \$1.80 per cwt. from the February 2004 price. Milk prices were the lowest in six months. The final monthly all milk price will vary from the projected mid-month price due to price changes announced by the Milk Marketing Orders, actual milk fat content and quantity sold by class.

Grain prices for mid-February were steady to down. The mid-February price for **corn** was \$2.00 per bushel, down 36 cents from January and 74 cents from February a year earlier. The corn price was the lowest since April 2002. The **soybean** mid-month price was \$5.45 per bushel, down 37 cents from January and \$2.66 from a year earlier. The soybean price was lowest since January 2002. The **winter wheat** price for mid-February was \$3.10 per bushel, the same as January while 34 cents less than a year earlier.

The preliminary **U.S.** All Farm Products Index of Prices Received by Farmers in February at 113, based on 1990-92=100, was 2 points (1.8 percent) above the January index. The Crop Index was up 5 points (5.0 percent) while the Livestock Index was down 1 point (0.8 percent). Producers received higher prices for tomatoes, oranges, broccoli, and celery. Lower prices were received for corn, dairy, hogs, and soybeans. The seasonal change in the mix of commodities farmers sell, based on the past 3-year average, also affects the overall index. Increased average marketings of dairy, cattle, broilers, and strawberries offset decreased marketings of corn, soybeans, tobacco, and wheat.

The preliminary All Farm Products Index was down 3 points (2.6 percent) from February 2004. The Food Commodities Index, at 117, was 2 points (1.7 percent) above last month but unchanged from February 2004.

AVERAGE PRICES RECEIVED BY FARMERS (Dollars)

COMMODITY	UNIT	KENTUCKY			US
		FEB 2004	JAN 2005	FEB 2005	FEB 2005
		Entire Month		Mid-Month a/	
All Corn b/ c/	Bu.	2.74	2.36	2.00	2.02
Soybeans b/	Bu.	8.11	5.82	5.45	5.39
Winter Wheat b/	Bu.	3.44	3.10	3.10	3.24
Alfalfa Hay, baled	Ton	100.00	105.00	105.00	91.90
All Other Hay, baled	Ton	58.00	61.00	61.00	70.00
All Hogs	Cwt.	43.60	51.70	48.90	50.40
Barrows & Gilts	Cwt.	44.00	52.00	49.00	50.70
Sows	Cwt.	35.00	44.00	46.00	45.50
All Beef Cattle d/	Cwt.	75.20	84.20	84.70	89.60
Steers & Heifers e/	Cwt.	85.00	96.00	96.00	93.80
Cows	Cwt.	44.00	47.00	49.00	52.80
Calves f/	Cwt.	101.00	113.00	117.00	128.00
Milk Wholesale					
All	Cwt.	14.40	17.30	16.20	15.40
Hog-Corn Ratios g/	Bu.	15.9	21.9	24.5	25.0

a/Preliminary. b/Includes contract sales paid during month. c/Includes yellow and white corn. d/"Steers and heifers" and "cows" combined. e/500 lbs. and over. f/Under 500 lbs. g/Number of bushels of corn equal in value to 100 lbs. of hog live weight.

MILK PRODUCTION

Kentucky milk production for January 2005 totaled 119 million pounds, down 2 percent from a year earlier, but up 3 percent from last month. Average number of cows on farms at 110,000 head was down 2,000 head from last year but unchanged from last month. Milk per cow averaged 1,080 pounds, down 10 pounds from January 2004, but up 25 pounds from December 2004.

Milk production in the **23 major States** during January totaled 13.2 billion pounds, up 1.3 percent from January 2004. December production, at 13.0 billion pounds was up 1.2 percent from December 2003. Production per cow in the 23 major States averaged 1,637 pounds for January, 13 pounds above January 2004. The number of cows on farms in the 23 major States was 8.08 million head, 38,000 head more than January 2004, but 15,000 head less than December 2004.

MILK COWS & MILK PRODUCTION DECEMBER & JANUARY, SELECTED STATES

STATE	Revised December				January				
	Milk Cows ^{1/}		Production ^{2/}		Milk Cows ^{1/}		Production ^{2/}		'05% of '04
	2003	2004	2003	2004	2004	2005	2004	2005	
	1,000 Head		Million Pounds		1,000 Head		Million Pounds		
CA	1,697	1,741	2,953	3,090	1,701	1,739	2,994	3,078	103
IL	109	106	173	163	108	105	174	170	98
IN	146	155	244	248	145	154	246	251	102
KY	112	110	120	116	112	110	122	119	98
MN	465	460	691	679	465	460	700	695	99
MO	124	119	155	151	125	118	158	153	97
OH	258	266	372	386	258	267	374	390	104
TX	317	319	499	496	317	318	526	526	100
VA	106	104	142	148	105	105	148	152	103
WI	1,247	1,236	1,852	1,842	1,245	1,235	1,874	1,865	100
23-State Total	8,042	8,097	12,878	13,037	8,044	8,082	13,061	13,229	101

^{1/} Includes dry cows, excludes heifers not yet fresh. ^{2/} Excludes milk sucked by calves.

U.S. HIRED WORKERS DOWN 12 PERCENT, WAGES UP 4 PERCENT

There were 749,000 hired workers on the **Nation's** farms and ranches during the week of January 9-15, 2005, down 12 percent from a year ago. Of these hired workers, 574,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 175,000 workers.

Farm operators paid their hired workers an average wage of \$9.81 per hour during the January 2005 reference week, up 40 cents from a year earlier. Field workers received an average of \$8.73 per hour, up 34 cents from last January,

while livestock workers earned \$9.19 per hour compared with \$8.83 a year earlier. The field and livestock worker combined wage rate, at \$8.91 per hour, was up 36 cents from last year.

The number of hired workers on farms in the **3-State Region including Kentucky**, Tennessee, and West Virginia totaled 28,000 during the week of January 9-15, 2005. Hired workers worked an average 30.0 hours during the survey week. The average wage rate for all hired workers was \$9.02 per hour. Field workers averaged \$8.46 per hour and livestock workers averaged \$8.04 per hour.

HONEY PRODUCTION

U.S. honey production in 2004 from producers with five or more colonies totaled 184 million pounds, up 1 percent from 2003. There were 2.56 million colonies producing honey in 2004, down 2 percent from 2003. Yield per colony averaged 71.8 pounds, up 3 percent from the 69.9 pounds in 2003. Colonies which produced honey in more than one State were counted in each State where the honey was produced, therefore yields per colony may be understated. Colonies were not included if honey was not harvested. Producer honey stocks were 61.2 million pounds on December 15, 2004, up 50 percent from a year earlier. Stocks held by producers exclude stocks held under the commodity loan program.

Honey prices decreased during 2004 to 108.5 cents, down 22 percent from 138.7 cents in 2003. Prices are based on retail sales by producers and sales to private processors and cooperatives. State level honey prices reflect the portions of honey sold through retail, co-op and private channels. U.S. honey prices for each color class are derived by weighing quantities sold for each marketing channel at the U.S. level. Honey prices for 2004 were lower than the previous year for all color classes except the All Other Honey, Area Specialties class. Honey prices for 2003 crop honey reflect honey sold in 2003 and 2004.

RED MEAT PRODUCTION

COMMERCIAL RED MEAT PRODUCTION ^{1/}

Type	Jan. 2004	Dec. 2004	Jan. 2005	Jan. 05 % of	
				Jan. 2004	Dec. 2004
Million Pounds			Percent		
Beef	1,924	2,042	1,915	100	94
Veal	16.0	14.9	13.3	83	89
Pork	1,758	1,857	1,704	97	92
Lamb & Mutton	15.4	17.0	14.4	93	85
Total U.S.	3,714	3,931	3,647	98	93
Total Kentucky	46.4	41.2	40.2	87	98

^{1/} Based on packers' dressed weights and excludes farm slaughter.

COMMERCIAL SLAUGHTER, JANUARY 2004 & 2005 ^{1/}

Type	Number Slaughtered		Total Live Weight		Average Live Weight	
	2004	2005	2004	2005	2004	2005
	1,000 head		1,000 lbs.		Pounds	
Kentucky						
Cattle	1.7	1.6	1,468	1,438	869	882
Hogs	226.4	197.2	60,682	52,509	268	266
Sheep & Lambs	0.9	0.8	111	103	124	124
United States						
Cattle	2,576.8	2,527.6	3,218,688	3,189,529	1,249	1,262
Hogs	8,789.3	8,478.1	2,363,663	2,288,114	269	270
Sheep & Lambs	219.2	208.5	30,833	28,758	141	138

^{1/} Includes slaughter under Federal inspection and other Commercial slaughter, excludes farm slaughter.

Commercial red meat production for the United States totaled 3.65 billion pounds in January, down 2 percent from the 3.71 billion pounds produced in January 2004. January 2004 contained 22 weekdays (including one holiday) and 5 Saturdays. January 2005 contained 21 weekdays (including one holiday) and 5 Saturdays.

Beef production, at 1.92 billion pounds, was slightly below the previous year. Cattle slaughter totaled 2.53 million head, down 2 percent from January 2004. The average live weight was 1,262 pounds, up 13 pounds from January a year ago.

Pork production totaled 1.70 billion pounds, down 3 percent from the previous year. Hog kill totaled 8.48 million head, 4 percent below January 2004. The average live weight was 270 pounds, up 1 pound from January a year ago.

Frozen food stocks in refrigerated warehouses on January 31, 2005, were greater than year earlier levels for chicken, fruit, vegetables, and beef.

COLD STORAGE HIGHLIGHTS

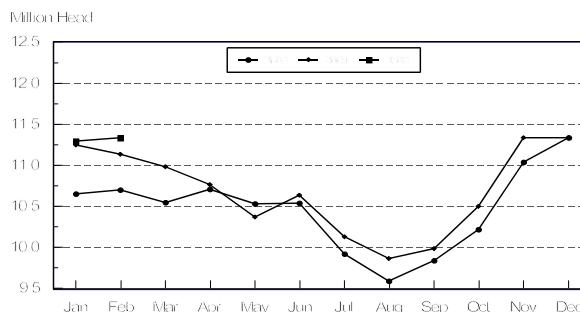
All U. S. Warehouse Stocks				Jan 05 as % of	
Commodity	Jan 31, 2004	Dec 31, 2004	Jan 31, 2005	Jan 2004	Dec 2004
Frozen Poultry			1,000 lbs	Percent	
Chicken	534,901	716,180	636,346	119	89
Turkey	420,466	288,357	339,314	81	118
Ducks	1,484	663	394	27	59
Total Frozen Poultry	956,851	1,005,200	976,054	102	97
Meat					
Total Frozen Beef	434,354	484,276	456,213	105	94
Frozen Pork					
Bellies	63,095	56,026	63,528	101	113
Total Frozen Pork ^{1/}	504,110	482,852	498,618	99	103
Total Meat ^{2/}	953,708	979,037	965,819	101	99

^{1/} Includes picnics, hams, bellies, loins, ribs, trimmings, and other frozen pork. ^{2/} Includes frozen beef, pork, veal, lamb and mutton, other frozen meat, canned hams, and other canned meat.

U. S. CATTLE ON FEED

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.3 million head on February 1, 2005. The inventory was 2 percent above February 1, 2004 and 6 percent above February 1, 2003. **Placements** in feedlots during January totaled 1.89 million, 7 percent above 2004 but 10 percent below 2003. Net placements were 1.81 million. During January, placements of cattle and calves weighing less than 600 pounds were 380,000, 600-699 pounds were 458,000, 700-799 pounds were 628,000, and 800 pounds and greater were 419,000. **Marketings** of fed cattle during January totaled 1.78 million, up slightly from 2004 but down 10 percent from 2003. **Other disappearance** totaled 74,000 during January, 21 percent below 2004 and 1 percent below 2003.

United States Cattle on Feed
1,000+ Capacity Feedlots



UNITED STATES EGG PRODUCTION & HATCH

Type	Jan. 2004	Jan. 2005	Jan. 05 % of Jan. 04
Egg Production			
Eggs Produced (Million)	7,386	7,607	103
Average Layers (000)	338,550	347,739	103
Eggs Per 100 Layers	2,182	2,188	100
Egg Type Hatchery			
Eggs Set Feb. 1 (000)	30,520	33,277	109
Chicks Hatched (000)	35,350	36,761	104
Broiler Type Hatchery			
Eggs Set Feb. 1 (000)	636,126	654,044	103
Chicks Hatched (000)	773,970	796,026	103

KENTUCKY CROPS VALUED AT \$1.58 BILLION

Crops produced by **Kentucky** farmers during the year 2004 were valued at \$1.58 billion, down 9 percent from the 2003 crop valued at \$1.75 billion. Farmers benefitted from frequent summer rain as corn and soybean productions set record highs. Field crops with the exception of tobacco and barley decreased in total crop value and price per unit from the 2003 crop year. Tobacco remained Kentucky's number one cash crop. Tobacco accounted for 30.0 percent of Kentucky's total crop value for the year 2004 and 27.1 percent of the U.S. value of tobacco produced. Kentucky ranked 21st among all states in value of crop production. The value of

production for the year 2004 is preliminary and based on an estimate of market year average prices. Value of production will change as market year average price and/or production are revised.

All crops produced in the **U.S.** for 2004 were valued at \$103.8 billion, down 3 percent from 2003. California remained the number one State with a total crop value of \$18.1 billion. Iowa was second with \$7.31 billion, and Illinois ranked third with \$7.22 billion. The Nation's top three crops in value of production were corn with \$23.0 billion, soybeans with \$16.1 billion and all baled hay with \$12.2 billion.

KENTUCKY PRINCIPAL CROPS RANKED ACCORDING TO VALUE OF PRODUCTION 2003 - 2004

2004 Rank	Commodity	Unit	2003 Crop Year 1/			2004 Crop Year 2/			04 Value as % of 03 Value
			Price (Dollars)	Value (\$1,000)	% of Total Value	Price (Dollars)	Value (\$1000)	% of Total Value	
1.	Tobacco, All	Lb.	2.027	456,077	26.1	2.028	475,649	30.0	104
2.	Hay (baled)	Ton	68.61	437,375	25.0	65.29	387,048	24.5	88
3.	Corn (for grain)	Bu.	2.53	374,339	21.4	2.05	355,224	22.5	95
4.	Soybeans	Bu.	7.40	399,156	22.9	5.20	297,440	18.8	75
5.	Wheat	Bu.	3.17	68,789	3.9	2.95	60,534	3.8	88
6.	Fruit & Vegetables			3,325	.2		3,626	.2	109
7.	Sorghum, Grain	Bu.	2.55	7,746	.4	1.90	1,980	.1	26
8.	Barley	Bu.	1.80	1,080	.1	2.00	1,232	.1	114
9.	Miscellaneous			117	*		232	*	198
	TOTAL			1,748,004			1,582,965		91

1/ Revised. 2/ Preliminary. * Less than .1%

U. S. DAIRY PRODUCTS, DECEMBER 2004

PRODUCT	Dec. 2003	Nov. 2004 1/	Dec. 2004	Percent of Dec. 03 Nov. 04	
		(000) Pounds		Percent	
BUTTER	114,599	97,489	111,907	98	115
CHEESE					
American Types 2/	321,189	301,443	322,558	100	107
Mozzarella	249,953	249,432	257,743	103	103
All Other Types 3/	187,745	197,296	192,142	102	97
Total	758,887	748,171	772,443	102	103
		(000) Gallons		Percent	
FROZEN PRODUCTS					
Ice Cream (Hard)	56,091	59,175	55,306	99	93
Frozen Yogurt (Total)	3,916	4,515	4,158	106	92
MIX FOR FROZEN PRODUCTS					
Ice Cream Mix	33,679	32,723	31,021	92	95
Yogurt Mix	2,648	2,656	2,446	92	92

1/ Revised. 2/ Includes Cheddar, Colby, Monterey, and Jack. 3/ Includes Swiss, Cream and all other types. Excludes cottage cheese.

Internet Access: Kentucky Agricultural Statistics Service (KASS) data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the National Agricultural Statistics Service (NASS) homepage located at <http://www.usda.gov/nass/>